

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4217-01
Bill No.: confidential draft
Subject: Health Care; Insurance - Medical; State Employees
Type: Original
Date: February 6, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
All funds	\$1,946,802	\$2,608,026	\$2,947,068
Total Estimated Net Effect on <u>All</u> State Funds	\$1,946,802	\$2,608,026	\$2,947,068

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state that the definition of "employee" under 103.003 was amended by adding "Employee shall not include an elected official of the state of Missouri." Elected official is not defined so HCP assumes judges, administrative law judges and legislators would be included.

HCP states that not all elected officials enroll in HCP's coverage. Currently, HCP covers 746 public officials: 474 as active employees and 272 as retired members (62 under 65 years of age and 210 over 65 years of age). HCP states the statewide average headcount money for an employee is \$381. This bill affects not only the elected officials, but their dependents too. The dependents would no longer have coverage under HCP. HCP states the statewide average headcount money takes the dependent subsidy tiers into consideration.

To exclude coverage for these members would result in a CY2002 savings of \$2,167,128 (474 x \$381 x 12) and \$2,448,855 for CY2003 at a 13% inflation rate.

HCP notes, the law does allow the retired elected officials to join HCP's coverage at time of retirement with proof of other insurance. Since retirees receive a subsidy, costs will be incurred at the time of their retirement.

Using calendar year savings, **Oversight** assumes savings to be \$1,946,802 in FY 2003, \$2,608,026 in FY 2004, and \$2,947,068 in FY 2005.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
ALL FUNDS			
<u>Savings</u> - All funds			
Decreased health contributions	<u>\$1,946,802</u>	<u>\$2,608,026</u>	<u>\$2,947,068</u>
ESTIMATED NET EFFECT ON ALL FUNDS	<u>\$1,946,802</u>	<u>\$2,608,026</u>	<u>\$2,947,068</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

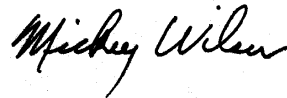
DESCRIPTION

This proposal amends the definition of "employee" under 103.003 by adding "Employee shall not include an elected official of the state of Missouri."

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Consolidated Health Care Plan

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
February 6, 2002